

**EXHIBIT 2 OF APPENDIX B**

**TABLE 6****ANNUAL RATES OF RETIREMENT ON SERVICE PENSION  
ASSUMED IN DETERMINING THE ACCRUAL RATE  
FOR SERVICE PENSIONS AND DEATH BENEFITS****1986 Management  
Modified in 1991**

<b>Age</b> <b>X</b>	<b>Male</b>	<b>Female</b>
43	.000	.000
44	.002	.006
45	.002	.006
46	.002	.006
47	.002	.006
48	.002	.006
49	.002	.006
50	.014	.046
51	.012	.025
52	.014	.030
53	.017	.035
54	.020	.040
55	.024	.045
56	.040	.060
57	.080	.120
58	.100	.130
59	.130	.150
60	.150	.180
61	.180	.220
62	.300	.300
63	.150	.150
64	.200	.250
65	.600	.600
66	.300	.300
67	.300	.300
68	.300	.300
69	.300	.300
70	1.000	1.000

Source: BellSouth Operating Companies Management experience 1975-1985,  
as modified in 1991 to reflect plan amendments adopted after  
1985 that provide incentive for postponing election of service  
retirements.

**TABLE 6**

**ANNUAL RATES OF RETIREMENT ON SERVICE PENSION  
ASSUMED IN DETERMINING THE ACCRUAL RATE  
FOR SERVICE PENSIONS AND DEATH BENEFITS**

**1986 Non-Management  
Modified in 1991**

<b>Age</b>		<b>Male</b>	<b>Female</b>
<b>X</b>			
43		.000	.000
44		.003	.005
45		.003	.005
46		.003	.005
47		.003	.005
48		.003	.005
49		.003	.005
50		.030	.067
51		.020	.050
52		.025	.055
53		.030	.060
54		.035	.065
55		.040	.070
56		.050	.080
57		.070	.105
58		.080	.115
59		.100	.125
60		.120	.135
61		.250	.190
62		.360	.320
63		.180	.140
64		.300	.190
65		.810	.525
66		.300	.300
67		.300	.300
68		.300	.300
69		.300	.300
70		1.000	1.000

Source: BellSouth Operating Companies Non-Management experience 1975-1985;  
as modified in 1991 to reflect plan amendments adopted after  
1985 that provide incentive for postponing election of service  
retirements.

**EXHIBIT 3 OF APPENDIX B**

**BellSouth Corporation**  
**Summary of BST Retired Employees by Service at Retirement**  
**Data Used in 1/1/93 FAS 106 Valuation**

<u>Management</u>		<u>Non-Management</u>		<u>Total</u>	
<u>Service</u>	<u>No. of Retirees</u>	<u>Service</u>	<u>No. of Retirees</u>	<u>Service</u>	<u>No. of Retirees</u>
6	1	6	1	6	2
		7	1	7	1
		9	1	9	1
10	2	10	8	10	10
11	6	11	21	11	27
12	9	12	24	12	33
13	13	13	34	13	47
14	13	14	22	14	35
15	21	15	71	15	92
16	19	16	146	16	165
17	28	17	135	17	163
18	57	18	150	18	207
19	63	19	141	19	204
20	144	20	611	20	755
21	189	21	436	21	625
22	210	22	401	22	611
23	200	23	343	23	543
24	180	24	312	24	492
25	382	25	596	25	978
26	445	26	619	26	1,064
27	496	27	593	27	1,089
28	570	28	668	28	1,238
29	509	29	626	29	1,135
30	957	30	2,105	30	3,062
31	1,136	31	1,831	31	2,967
32	1,186	32	1,561	32	2,747
33	984	33	1,414	33	2,398
34	1,069	34	1,384	34	2,453
35	1,179	35	1,521	35	2,700
36	1,286	36	1,422	36	2,708
37	1,011	37	1,095	37	2,106
38	899	38	846	38	1,745
39	758	39	641	39	1,399
40	708	40	555	40	1,263
41	656	41	453	41	1,109
42	487	42	318	42	805
43	380	43	227	43	607
44	226	44	149	44	375
45	149	45	97	45	246
46	117	46	67	46	184
47	65	47	46	47	111
48	52	48	33	48	85
49	13	49	9	49	22
50	11	50	2	50	13
51	3	51	1	51	4
52	1			52	1
Total	16,890		21,737		38,627

## **ATTACHMENT 14**

# **BELLSOUTH COMPENSATION PER EMPLOYEE**

	<u>1992</u>	<u>1993</u>
A. SALARIES AND WAGES (\$000) (1)	\$2,847,517	\$2,944,604
B. BENEFITS (\$000) (2)	838,007	919,857
C. SFAS-106 AMOUNT IN B (\$000)	----	243,700
D. TOTAL COMPENSATION (A+B)	3,685,524	3,864,461
E. EMPLOYEES AT END OF YEAR (3)	76,990	74,218
F. AVERAGE EMPLOYEES	76,720	75,604
G. COMP. PER EMPLOYEE (\$) (D/F)	48,039	51,115
H. PERCENT CHANGE FROM PRIOR YEAR	----	6.4%
I. BENEFITS AS % OF TOTAL COMP. (B/D)	22.7%	23.8%
J. SFAS-106 AS % OF TOTAL COMP. (C/D)	----	6.3%

## **SOURCES:**

- (1) ARMIS 43-02, TABLE I-1, INCOME STATEMENT ACCOUNTS, ROW 720, COLUMN (ac)
- (2) ARMIS 43-02, TABLE I-1, INCOME STATEMENT ACCOUNTS, ROW 720, COLUMN (ad)
- (3) ARMIS 43-02, TABLE I-1, INCOME STATEMENT ACCOUNTS, ROW 830, COLUMN (bb)

**NOTE: BELLSOUTH ADOPTED SFAS-106 ACCOUNTING EFFECTIVE 1/1/93**

## **ATTACHMENT 15**

## U. S. ECONOMY COMPENSATION PER EMPLOYEE


	<u>1992</u>	<u>1993</u>
A. TOTAL COMPENSATION (\$B) (1)	\$3,591.2	\$3,780.4
B. SFAS-106 AMOUNT IN A (\$B) (2)	---	43
C. AVERAGE EMPLOYEES (000) (3)	108,597	110,726
D. COMP. PER EMPLOYEE (\$) (A/C)	33,069	34,142
E. PERCENT CHANGE FROM PRIOR YEAR	---	3.2%
F. SFAS-106 AS % OF TOTAL COMP.	---	1.1%

### SOURCES:

- (1) U.S DEPARTMENT OF COMMERCE, BUREAU OF ECONOMIC ANALYSIS, SURVEY OF CURRENT BUSINESS, TABLE 1.14, JULY, 1994 (VOL. 74, NO. 7).
- (2) GODWINS STUDY "BEST ESTIMATE" OF A 2.54% INCREASE IN DIRECT LABOR COSTS FROM SFAS-106 ADOPTION FOR THE SECTOR OF THE ECONOMY WITH SFAS-106 BENEFITS. THAT SECTOR REPRESENTS ONLY 32% OF TOTAL U.S. EMPLOYMENT. THE INCREMENTAL SFAS-106 AMOUNT IS APPROXIMATELY \$30B FOR THE U.S. ECONOMY. U.S. ECONOMY PAY-AS-YOU-GO AMOUNT REPRESENTS AN ADDED \$13B, APPROXIMATELY. ASSUMES AMORTIZATION OF THE TBO FOR COMPARISON WITH THE PRICE CAP LECS' DATA.
- (3) U.S. DEPARTMENT OF LABOR, BUREAU OF LABOR STATISTICS, TOTAL NONAGRICULTURAL EMPLOYMENT (ALL EMPLOYEES, TOTAL NONFARM PAYROLLS).

CERTIFICATE OF SERVICE

I hereby certify that I have this 14th day of August, 1995, serviced all parties to this action with the foregoing DIRECT CASE reference to Docket CC 93-193 Phase I, CC Docket 94-65, CC Docket No. 93-193 Phase II, and CC Docket 94-157, by placing a true and correct copy of the same in the United States Mail, postage prepaid, addressed to the parties as set forth on the attached service list.

  
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